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C O N F I D E N T I A L SECTION 01 OF 03 SARAJEVO 001663

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DEPARTMENT FOR EUR(DICARLO), EUR/SCE (HOH);NSC FOR BRAUN;
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SUBJECT: BOSNIA - THE NEW HIGHREP: A NEW STYLE, NEW HOPE
AND A CLEARER AGENDA

REF: A. SARAJEVO 1564

1B. SARAJEVO 1519

1C. SARAJEVO 1503

Classified By: Ambassador Douglas McElhaney. Reasons 1.4(b) and (d).

11. (C/NF) SUMMARY: In his first few weeks on the job, new High Representative Miroslav Lajcak has moved quickly to take charge of OHR and improve its operations. He has also sent a clear signal to Bosnian political leaders and the Bosnian public that he will be a different kind of HighRep than his predecessor, Christian Schwarz-Schilling. Lajcak has delivered stern private messages that the damaging political rhetoric of the last 12 months must stop and made early use of his Bonn Powers. Lajcak's polite, but firm approach has won praise from the press and raised expectations among the Bosnian public that he can deliver on his public promise "to move Bosnia forward." OHR staff have told us that Lajcak will make concluding a police reform deal his top priority after Europe's August holidays. He will not take up constitutional reform until October at the earliest. In the meantime, he also hopes to raise the profile of his role as European Special Representative (EUSR). From our perspective, Lajcak is off to a good start. We are particularly pleased with his willingness to consider use of the Bonn Powers and his recognition that progress on major reforms requires a strong international hand. Sooner or later he will have to confront the Europeans, particularly the French and Germans, who have been the strongest supporters of a "Bosniacs do it yourself" approach. We will need to support his strong leadership if we want to avoid another lost year in Bosnia. END SUMMARY

There is a New Sheriff in Town

12. (SBU) Just two days into his tenure, High Representative Miroslav Lajcak signaled to Bosnia's political leaders and the Bosnian public that his approach to his responsibilities will be much different than his predecessor's. In a July 2 nationally-televised address, the soft spoken Lajcak was blunt about the challenges Bosnia confronts, observing that "in the process of EU integration BiH is today in last place." He blamed the current state of affairs on the country's political leadership, which he chastised for their failure to compromise and to take "practical steps" that would improve the quality of life for all Bosniacs "immediately." He characterized his immediate challenge as improving "mutual trust among politicians" and laid down a

clear marker that he would not tolerate "any activities of statements that push BiH back into an atmosphere of tensions and hatred."

13. (C) Lajcak was also explicit that he would "not hesitate" use his Bonn Powers should it be necessary "to help Bosnia move forward." He wasted no time signaling that he meant what he said, announcing several impositions related to Srebrenica and war crimes on July 10 (Ref C). More recently, Lajcak has implied publicly that he is prepared to stiffen sanctions imposed by Schwarz-Schilling on political parties in Herzegovina-Neretva Canton if they failed to form a Cantonal government before the end of July (Ref B).

According to one OHR staffer, Lajcak privately suggested to one shocked European ambassador that he would consider using his Bonn Powers to resolve the dispute within the Federation over public broadcasting, one of three conditions the EU has set for signing a Stabilization and Association Agreement (SAA) (Ref A). (Note: The EU has argued that these issues cannot be imposed by the HighRep, but must be settled by Bosnian political leaders themselves. End Note).

New Hopes and High Expectations

14. (C) According to OHR staff, Lajcak has been just as clear in his private meetings with Bosnian politicians that he will not tolerate the type of rhetoric from Bosnian political leaders heard over the last year, that he is prepared to publicly blame those who block specific reforms, and that he will use his Bonn Powers. In his initial exchange with Silajdzic, Lajcak delivered what one OHR staffer called a

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"clear and tough rebuttal" of some of the public criticisms Silajdzic had been making about the international community's role in Bosnia. Silajdzic and other Bosnian political leaders have been notably gracious in their public comments after meeting Lajcak, pledging to work with him constructively. Though these pledges probably reflect the honeymoon period we would expect any new HighRep to enjoy, the public deference stands in stark contrast to the public disdain with which political leaders, particularly Dodik, treated Schwarz-Schilling.

15. (C) Unsurprisingly, Lajcak's initial meetings and public comments have received a lot of press coverage, much of it favorable. Many political pundits attribute the recent rhetorical cease fire between Bosniak member of the Tri-Presidency Haris Silajdzic and Republika Srpska (RS) PM Milorad Dodik to Lajcak and to their anxiety over his possible use of the Bonn Powers. The current calm in the rhetoric battle may have more to do with the onset of summer holidays and/or an interest in avoiding an early falling out with the HighRep than with Lajcak's persuasive powers, however. Regardless, it has raised expectations among the Bosnian public that Lajcak can deliver on his promise "to move Bosnia forward."

Police Reform is the Priority

16. (C) We understand that Lajcak will make concluding a deal on police reform his immediate priority. Lajcak believes that a September deal is possible (because the parties are so close to one already) and critical (because EU officials have told him that failure to reach a deal before they issue their October "progress report" on Bosnia would likely delay an SAA by at least a year). He will use the next six weeks to lay the political ground work for talks, which, his staff tells us, will involve shuttle diplomacy on Lajcak's part. OHR staff appreciate that though the differences between Dodik and Silajdzic on police reform may be minimal on paper, the ideological gulf between the two men is wide and potentially unbridgeable in the short-term. Nonetheless, Lajcak is genuinely optimistic about the prospects for a September

deal, OHR staff tells us.

After Police Reform

¶7. (C) Lajcak understands that constitutional reform is crucial to Bosnia's future, but he does not want to take on this issue until after his September attempt to negotiation a police reform deal. Ideally, he hopes a success on police reform can build momentum for a deal on constitutional reform. A member of his cabinet suggested that Lajcak will disregard the constitutional reform process developed by Schwarz-Schilling, but that he has not settled on an alternative approach. Lajcak is also interested in elevating his profile as European Special Representative (EUSR), which, his staff argues, is necessary to increase the EU's "pull" for the inevitable painful reforms that come with preparing for membership. (Comment: With most senior OHR officials now double-hatted, we will need to ensure that increasing the EUSR's profile does not come at the expense of the Peace Implementation Council's agenda. End Comment).

Lajcak Gets Down to Business at OHR

¶8. (C/NF) High Representative Miroslav Lajcak has already made important and positive changes at OHR. At the weekly Steering Board Ambassadors (SBA) meeting, for example, Lajcak, who works with minimal notes and has already demonstrated a clear command of his brief, has kept discussions focused on the SBA agenda. Where appropriate, he has effectively steered the SBA to concrete conclusions and clear support for OHR-proposed actions. His ability to manage a meeting, including his skill at tactfully taking the floor back from those ambassadors inclined to long-winded interventions, has helped keep SBAs, thus far, to under an hour. SBA Ambassadors have commented favorably on the contrast with Lajcak's predecessor, Christian Schwarz-Schilling, whose SBAs oddly combined heavily scripted

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briefings with long, desultory exchanges that generally failed to produce results.

¶9. (C/NF) Lajcak has also tightened operations of OHR's bureaucracy, which was notoriously dysfunctional and without direction for much of Schwarz-Schilling's tenure. Lajcak abolished the position of Senior Deputy High Representative (SDHR), which had become a laughingstock within OHR and around Bosnia. In addition, he has moved to impose discipline on the rest of OHR, elements of which had been prone to free-lancing under Schwarz-Schilling's rudderless leadership. OHR staffers tell us that Lajcak's cabinet appears better organized than his predecessor's, though they also perceive it as more closed and less accessible. We had hoped that Lajcak would strengthen the PDHR's line authority, but Lajcak has allowed all OHR Departments to report directly to him provided they "keep PDHR informed." (Comment: This arrangement may reflect an initial intention to gauge the work of his departments more directly, but could be problematic in the future, if the most senior USG official at OHR is completely bypassed on key decisions. End Comment).

Comment: So Far, So Good - We Need to Keep it that Way

¶10. (C) Though just a few weeks into the job, Lajcak has already demonstrated greater political skills than his predecessor. He has moved quickly to repair some of the damage Schwarz-Schilling did to OHR's prestige and its institutional capacity. From our perspective, it is particularly noteworthy that the word "ownership" did not appear in his July 2 address to the Bosnian public. While Lajcak would prefer that the Bosnian political leadership reach compromises on their own, he seems to appreciate that progress on major reforms requires a strong international

hand, including the occasional use of the Bonn Powers. His greatest challenge in the near future will be keeping the Europeans on board, as the softer, "Bosniacs do it yourself" approach advocated by France and Germany in particular, will clash with the direction he wishes to apply to the reform process. His more forward-leaning moves of late may well have been blessed by EUHR Javier Solana, who consistently has wanted to apply more pressure than EU Enlargement Commissioner Rehn. This is a proclivity that we should reinforce, if we want OHR to reemerge after a one-year hiatus as an effective engine for advancing U.S. objectives in Bosnia and Herzegovina.

MCELHANEY